

DENALI COMMISSION PUBLIC HEARING

March 1, 2016

Taken at:

510 L Street
Anchorage, Alaska

STAFF PRESENT:

Commissioner Joel Neimeyer, Denali Commission Federal Co-Chair
Commissioner Byron Mallott, Lieutenant Governor of Alaska and
Denali Commission State Co-Chair (telephonic)
Commissioner Vincent Beltrami, Alaska AFL-CIO (telephonic)
Commissioner Kathie Wasserman, Alaska Municipal League (telephonic)
Jay Farmwald, Denali Commission
Sabrina Cabana, Denali Commission
Corrine Eilo, Denali Commission

GUEST PRESENT:

Don Antrohus

TELEPHONIC PARTICIPANTS:

Diane Kaplan, Rasmuson Foundation
Mark Moore, Native Village of Noatak
Michael Black, ANTHC
Paul Dock, Kugkaktik Limited
Eugene Asicksik, Mayor of Shaktoolik
Fred Sagoonick, Shaktoolik Native Corporation
Matilda Hardy, Shaktoolik Tribal Administrator
Millie Hawley, Kivalina, Alaska
Dolly Foster, Kivalina Village Council
Chris Kowalczewski, The Foraker Group
Nina Kemppe, Alaska Community Foundation
Dr. Tom Ravens, UAA College of Engineering
Carol Oliver, Golovin, Alaska
Elizabeth Ripley, Mat-Su Health Foundation
Fred Eningowuk, Community of Shishmaref
Johnson Eningowuk, Community of Shishmaref
Curtis Nayokpuk, Shishmaref Native Corporation
Howard Weyiouanna, Mayor of Shishmaref
Dean Westlake
Leo Kusayak, Napakiak, Alaska
Patricia Carr, State of Alaska, Dept. of Health & Social Services
Eva Sheldon, NANA Regional Corporation

Joel Neimeyer, the federal co-chair of the Denali Commission, called the public hearing conference call for the Proposed FY2016 Agency Investments and the Environmentally Threatened Communities Initiative to order on March 1, 2016, at 2:00 p.m.

Lieutenant Governor Byron Mallott thanked everyone for attending the public hearing conference call. Commissioners and staff would like to hear testimony on the proposed FY16 Denali Commission investments and the Environmentally Threatened Communities Initiative, a new program assigned to the Denali Commission by President Obama in August 2015. The Denali Commission has been tasked as the lead coordinating federal agency for village relocations, focusing on four specific villages, and protect-in-place solutions for rural Alaska communities facing erosion, flooding, permafrost and other degradation threats. Written comments will be accepted to March 16, 2016, and should be sent to the address on the agency's website. After staff compiles all the verbal and written comments, it will be presented to the commission on March 31 where commissioners will vote on the proposed investments.

Co-Chair Neimeyer asked everyone to limit their testimony to three minutes. Written comments are encouraged and should be submitted by March 16, 2016.

Diana Kaplan, president of the Rasmuson Foundation, addressed two programs that have been funded by the Denali Commission for many years. The Pre-Development Program is a partnership between the Rasmuson Foundation, the Denali Commission, the Mat-Su Health Foundation, the State of Alaska, and the Mental Health Trust. The program helps communities throughout Alaska vet and design community facilities that are sustainable and the right size for their purposes. The Denali Commission has invested in the program since its inception. The budget goes through June 2016. Funding for the program counted on the Denali Commission's prior commitment of \$150,000, which was not approved by the commissioners. We urge the Denali Commission to reconsider inclusion of the Pre-Development Program funding at \$150,000 in its 2016 Work Plan. The Statewide Domestic Violence Maintenance Program is a partnership between the State of Alaska, the Rasmuson Foundation, the Alaska Community Foundation and Wells Fargo. The Denali Commission has been involved in providing repairs and maintenance for domestic violence shelters for at least 15 years. Ten years ago, with the Denali Commission being the vehicle for the federal funds, a statewide infrastructure evaluation of all 26 shelters was done and upgrades were provided. The State of Alaska and the Rasmuson Foundation have both committed \$2 million, and Wells Fargo is again participating. These facilities are for our most vulnerable people, especially affecting low income and rural Alaskans. We

urge the Denali Commission to reconsider including \$450,000 for the Domestic Violence Statewide Program in the 2016 Work Plan.

Mark Moore, planning director for the Native Village of Noatak, discussed seismic activity that started in the Noatak area about two years ago. The village is located on the Noatak River, which is also eroding. The tank farm, which is owned and operated by AVEC, needs to be relocated. We have contacted AVEC, EPA, FEMA, AEA and any entity we could think of to help relocate the tank farm before it spills tens of thousands of gallons of diesel fuel into the Noatak River, one of the most pristine watersheds in the northern hemisphere and a major source of subsistence for the village. No one seems to have funds available, but work needs to be done to protect the village from a possible natural disaster in the future.

In response to Co-Chair Neimeyer, Mark Moore said Noatak was an Arctic village about 60 miles north of the Arctic Circle. Although Noatak does not meet all of the funding criteria under the Environmentally Threatened Communities Initiative, they still need help. He contacted the Alaska Seismic Hazards Safety Commission and requested an assessment of Noatak and a professional opinion on the criticalness of the situation. Prudence would dictate that this be dealt with as soon as possible to avoid potential environmental disasters. He was unsure of how seismic activity and erosion worked together. Funding should be made available to Noatak to prevent natural disasters that affect the village's cultural way of living. The river is a major source of subsistence and the village would be unsustainable if the river was polluted.

Michael Black, director for Rural Utilities Management Services and the Alaska Native Tribal Health Consortium, discussed the FY16 draft budget. ANTHC is happy to see resources being allocated to energy efficiency improvements under the Legacy Energy Program. In the past, the Denali Commission has provided resources to help communities that run water and sewer services. Having served in the State of Alaska's Immediate Action Workgroup, which was created under the subcommittee for climate change, he was able to see the value of early intervention for mitigating the impacts to community related to climate change. He was glad to see both the Denali Commission and the White House were interested and willing to allocate resources to climate change. Infrastructure is impacted by climate change by everything from warming permafrost to erosion and flooding. He suggested an effort be made to help the engineering community address some of the changes needed in design and construction techniques to make infrastructure more resilient. ANTHC spends \$60 million a year building water and sewer services. We have discovered that traditional water and sewer designs are not robust enough and do not recognize the changing environment. He suggested developing an environmental atlas, especially in the northern and western communities where permafrost was an integral part of planning

and designing, through the University of Alaska and other federal agencies with relevant data, to guide environmental engineering to meet future conditions. The information would be shared across the engineering community. A website or some other forum would be created to share the best practices of the engineering community in adapting infrastructure to last longer and deliver services at a more affordable level and with the least amount of repairs or retrofitting.

Paul Dock, interim general manager for Kugkaktik Limited, discussed the tank farm at Kipnuk, Alaska. Kipnuk is located on the Kugkaktik River, about 83 air miles southwest of Bethel, Alaska. We are working with the Alaska Energy Authority and the Kipnuk Traditional Council on our tank farm, which desperately needs to be relocated because it is being threatened by riverbank erosion. The U.S. Army Corps of Engineers did an assessment of the tank farm in January 2009. The riverbank is eroding at an annual rate of about nine feet per year and the erosion will reach the tank farm in about two years. We request the Denali Commission fund the Kipnuk tank farm project in the amount of \$1 million, which is the amount needed as estimated by the Alaska Energy Authority. We would also like Kipnuk to be included in the Environmentally Threatened Community Program because riverbank erosion threatens our community. He discussed several studies that have been done to date in Kipnuk.

Co-Chair Neimeyer thanked Mr. Dock for his participation and suggested he call into the March 17, 2016, meeting in which proposed funding of \$1 million for Kipnuk would be on the agenda.

Eugene Asicksik, mayor of the City of Shaktoolik, introduced Fred Sagoonick, general manager of the Native Corporation, and Matilda Hardy, president of Shaktoolik Tribal Government. Shaktoolik has had erosion concerns for the last 15 years and is identified as an environmentally threatened community. We currently have \$1,020,000, which is \$520,000 in base funding and \$500,000 in PAPL funds. We requested that Shaktoolik be included in the Denali Commission's FY16 budget.

Matilda Hardy, president of Shaktoolik Tribal Government, spoke in support of Denali Commission funding for Shaktoolik, because of the challenges the community has with erosion and the berm being built.

Fred Sagoonick said his biggest concern was protecting the tank farm in Shaktoolik and possibly building a few bulk fuel tanks. Our tank farm has about 20 tanks, which are being utilized by all of the organizations in the community, including the IRA, the city and the school district. The school district recently constructed two double-walled, 20,000-gallon tanks for their own use. Shaktoolik went through a concept and

design stage with the Denali Commission a number of years ago, but things have since changed. We feel the most economical way to approach this issue would be to build two 50,000- to 60,000-gallon capacity tanks, one for diesel and one for gasoline, which would allow everyone to store their fuel in a central location, but be individually metered. This would be more cost effective than constructing a whole new tank farm.

Millie Hawley, with the Native Village of Kivalina Council, said their main focus was building an evacuation road. Erosion continues to be an issue on the island of Kivalina. We almost lost our airstrip in September. At our last quarterly meeting, the council felt their next step should be an EA study. Funding provided to Kivalina for erosion, evacuations, relocation, and climate change issues would be put to good use. We will focus on doing an EA or EIS to keep in step with regulations. We also want recon, wetlands, and geo-tech studies. The cultural and aerial studies have been done. Studies have shown that our village could be underwater by 2025 so we need to move our homes and families. This is a life-safety issue. It is also about food security. We need to be able to harvest food and keep our families safe. We will need to move off the island in the near future, because one good storm could wipe us out. We appreciate any assistance you can give the Native Village of Kivalina.

Dolly Foster, a member of the Native Village of Kivalina Council, said Kivalina is the best example of why the Denali Commission was formed, which was to provide financial assistance to address community issues. Climate change is eroding the village of Kivalina. We had to evacuate once already and had nowhere to go. We would like to build an evacuation road near the new school site, which is where we would take shelter in the event of a storm.

Chris Kowalczewski, director of the Foraker Group and the Pre-Development Program, discussed the Pre-Development Program. Over the last 10 years, the commission has been an active partner with the Rasmuson Foundation, the Alaska Mental Health Trust, and the Mat-Su Health Foundation in supporting over 100 projects in rural communities. The FY2016 Investment Plan focuses on working with existing partners to leverage funding for projects in the Legacy Program. The Pre-Development Program is an existing partner, and one with great flexibility in meeting the needs of the commission. While we do not work on bulk fuel or transportation projects, we provide the commission with energy audits and analyses on the efficacy of energy improvement projects. We support your efforts to improve energy efficiency in community facilities. As a nonprofit entity, we provide a cost-effective option for this work. The Denali Commission's proposal to invest in the Environmentally Threatened Community Program identifies a number of activities for several communities. The last activity is "other related activities identified by the

community.” The Pre-Development program is in a position to assist with the identification of these other projects as well as planning for sustainable facilities. This is an opportunity to leverage funds since our other funding partners contribute to the cost of these projects. The current economic climate makes us all cognizant of the need for efficient use of resources. The commission has recognized the value of collaboration with other state and federal programs to achieve common goals. The partnership offered by the Pre-Development Program can help achieve those goals through a relatively modest investment, which is matched by our other funders, quadrupling the value to our communities. We request continued funding of the Pre-Development Program by the Denali Commission.

Nina Kemppel, the CEO of Alaska Community Foundation, discussed the Domestic Violence Shelter Program, which is a partnership between the Alaska Community Foundation, the Rasmuson Foundation, the Mat-Su Health Foundation, the Alaska Mental Health Trust, the Denali Commission and the State of Alaska. We believe this is a wonderful example of how we can come together to ensure long-term community sustainability and how we can be creative with Alaskans in developing a model to support the ongoing success of this initiative. We strongly support the addition of \$450,000 in Denali Commission funding for the Domestic Violence Shelter Initiative, which was not included in the draft budget.

Dr. Tom Ravens, from the College of Engineering at the University of Alaska Anchorage, proposed developing a living environmental atlas to provide updated environmental data that is critical for the Alaska construction industry and Alaskan communities. The living atlas would be continually updated with data collected from rural Alaskan communities. Government and private entities spend tens of millions of dollars each year on construction and infrastructure. For example, Alaska Native Tribal Health Consortium spends \$60 million a year on construction in rural Alaska. Building infrastructure design and construction in rural Alaska is currently based on an environmental atlas that features community-specific environmental data. The atlas was developed by the University of Alaska in the 1980s, but needs to be updated. The updated atlas will enable resilient designs that account for our changing environment. The development of this atlas would be a University of Alaska effort, combining the expertise of both UAA and UAF. The effort would be undertaken in collaboration with Alaska Native Tribal Health Consortium and would leverage investments in research. Community relevant environmental data would be taken from all the federal and state agencies. The existing atlas provides data on community populations, locations, temperatures, wind, precipitation, freezing index, thawing index, snow depths and snow loads, seismic parameters, and water quality. Much of that data is outdated. In light of the rapid environmental changes taking place in Alaska, we would include additional information like soil temperature changes, and permafrost

thaw rates. We would also include coastal erosion rates and flooding projections for coastal and marine communities using information collected from our collaborators. The living environmental atlas would provide environmental data for current conditions as well as projected future conditions. It would be updated in real time with data collected in rural communities, including air temperatures and seismic data. The data would be housed online, possibly on a UAA website or at another location.

Carol Oliver said Golovin was one of the environmentally threatened communities. She hoped Golovin did not have to wait for studies like Kivalina and Shaktoolik did. Golovin is planning many projects, but they need to develop a material resource site to implement the projects. She hoped the engineering department planned to elevate some of the public buildings, like the school and homes, because it would be too costly to move them to higher ground.

Elizabeth Ripley, executive director for the Mat-Su Health Foundation, said the Mat-Su Health Foundation shares ownership in Mat-Su Regional Hospital and invests its share of the profits back into the Mat-Su community to raise health status. The Mat-Su Health Foundation is a partner in the Pre-Development Program created by the Denali Commission, the Rasmuson Foundation, the Alaska Mental Health Trust Authority, and the Foraker Group. Mat-Su Health Foundation commits \$150,000 a year toward the Pre-Development Program, which prevents unsustainable projects from being built. The program has ensured projects were not overbuilt, were sustainable, that agencies could pay the utilities and staff the buildings, that they could scale the impact of their mission, and that the projects were built to be energy efficient and with materials that would last. We respectfully request \$450,000 for the Pre-Development Program and the Special Statewide Domestic Violence Shelter Deferred Maintenance Project be included in the Denali Commission's FY16 budget. Although the state is cutting its capital budget, projects are still being built and financed through grants, individual donors and municipal bonds. The Pre-Development Program ensures prudent use of capital dollars to deliver the social return we all want to see.

Fred Eningowuk, community coordinator for the Community of Shishmaref, thanked the Denali Commission for the opportunity to comment. They had a delegation of 12 individuals would comment as time allows.

Johnson Eningowuk, president of the Native Village of Shishmaref, spoke in support of using federal funds for their existing relocation coordinator. He discussed the seawall at Shishmaref, which could be lost completely if it was breached. He hoped the design of the project, as well as the actual building of the seawall, would be funded. There is also a sub-road that runs alongside the airport that was damaged several years ago during a storm event and has not been repaired by FEMA or other

disaster funds. The airport is vital to Shishmaref as travel outside of the village is only by boat or snowmachine. In the event of a natural storm, the only way out of Shishmaref would be by air.

Chris Nayokpuk, of the Shishmaref Native Corporation, spoke in support of any help available for Shishmaref. A rock source for projects is important as it will lower the materials cost and make it cost-effective to build a long-term connection on the island. The school is located in a very low section of the community and the tank farm is in that area. If anything happens to the tank farm, the spillage will go right under the school. The school is vital to the community. We need more projects to build-up the community. In the meantime, we are planning our relocation.

Howard Weyiouanna, the mayor of Shishmaref, felt it was important to have the bulk fuel tanks replaced. The tanks were not Arctic tested by the U.S. Coast Guard and they are very close to Shishmaref High School and other city buildings.

Eugene Asicksik asked about the teleconference scheduled for May 17, 2016. It was his understanding that a final budget decision would be made on March 31, 2016.

Co-Chair Neimeyer explained that the March 17, 2016, teleconference was a regular monthly meeting of the commissioners. Kipnuk, which has gone through its own deliberation process, will be considered for funding, in the FY16 Work Plan. This public hearing is to discuss the FY16 investments and the Environmentally Threatened Communities Initiative. After the public testimony, written comments will be accepted until March 16, 2016. After all the oral and written comments are received, they will be packaged and provided to the commissioners for their consideration on March 31, 2016, when they vote on the FY16 Investment Plan. The finalized 2016 Work Plan will be published in the Federal Register, after which there will be an additional 30-day comment period on the 2016 Work Plan.

In response to Paul Dock, Co-Chair Neimeyer said the telephone number for the March 17 teleconference would be posted on the Denali Commission's website.

Dean Westlake, from Kotzebue, discussed environmentally threatened communities, which includes Kivalina. He asked if that program would consider a solution for villages that were stranded when barges could not get into villages. Some of those villages would include Noatak, Ambler, Shungnak and Kobuk. When barges cannot get into a village, everything has to be flown in and it increases the costs dramatically.

Co-Chair Neimeyer said the Environmentally Threatened Communities Program would address climate change affects associated with erosion, flooding and

permafrost degradation. The program is in the beginning stages. He encouraged Mr. Westlake to provide written testimony by March 16, 2016.

Dean Westlake said they were also having a problem getting a non-objection letter from the airlines. We understand the airlines are trying to make money, but it is a shame that we cannot use climate change, rather than an economic model, to get goods and services into villages like Noatak. The Air National Guard wanted to help, but their hands were tied because we could not get a non-objection letter from the airlines. Everything is predicated on economics. When environmentally threatened communities cannot get barges into their villages, they have to fly everything in and that is very costly.

In response to the call operator, Co-Chair Neimeyer said the meeting was scheduled from 2:00 p.m. to 4:00 p.m. Participants can comment in person or telephonically so the telephone lines should stay open until 4:00 p.m. even if no one is calling in.

Dean Westlake discussed the preliminary design of community power, water, sewer and solid waste facilities. Kivalina has installed a separator toilet and the bio-charge is being put in this summer. The reviews have been fabulous. ANTHC has also designed one. It can be run for less than 30 cents versus \$5 for a water and sewer system. We are excited about this concept, because it does away with the sewage pond. He asked if the Denali Commission would be studying ways to bring down costs rather than relying on the antiquated water and sewer systems that have starting to have issues.

Co-Chair Neimeyer said that was not currently on the Denali Commission's horizon, but the agency has supported ANTHC, Village Safe Water and other groups in their efforts on sanitation energy efficiency systems. This is certainly within the realm of what the Denali Commission can do, which is way the public comment period is so helpful. He encouraged Mr. Westlake to provide written comment by March 17, 2016.

Leo Kusayak, the city administrator for the City of Napakiak, requested Denali Commission funding of \$15,000 to move a house that was about 43 yards away from sliding into the river.

In response to Co-Chair Neimeyer, Leo Kusayak said that the riverbank eroded about 50 feet last year. After a storm event, FEMA moved several of the houses in Napakiak, but they took the money back for this house. FEMA did not move this house by the end of the year and did not return the following year.

Commissioner Kathie Wasserman called into the meeting and Co-Chair Neimeyer gave her an update on what had occurred during the meeting. There have been 17 public comments, three of which were follow-up comments, so 14 people have

commented. Of the four communities identified for relocation, three have called in. Newtok, who met with us this morning, has not yet called in. All callers have been encouraged to submit written testimony by March 16, 2016.

In response to Commissioner Kathie Wasserman, Co-Chair Neimeyer said he would have staff email all of the commissioners the information on providing written comments on the FY16 Work Plan and the Environmentally Threatened Communities Program so they can pass that onto their constituents.

In response to Patricia Carr of the Department of Health and Social Services, Co-Chair Neimeyer said all of the oral and written comments would be packaged up for the commissions and an executive summary memo summarizing the testimony would be included. The comments and executive summary will be posted on the Denali Commission's website before the March 31, 2016, meeting.

Eva Sheldon, with NANA Regional Corporation, discussed the Denali Commission's investments in energy, especially wind micro grids. She requested Denali Commission funding for Workforce Development for existing infrastructure and renewables that will be put in place through funding from outside organizations. Shungnak has the START Program through the Department of Energy. We have a certain dollar amount to address the community's highest priorities. We are trying to utilize as much of the funding available on a community scale to address the priorities. Workforce Development kind of falls to the side on priority because we have to implement energy savings.

Eva Sheldon, regional energy project manager at NANA Regional Corporation, discussed the importance of interties between Ambler, Shungnak and Kobuk. Kobuk and Shungnak have an intertie. Shungnak won a START Program award so we are reviewing their needs. One of the needs is an intertie between Ambler and Shungnak, which would tie all three upper Kobuk communities together. Including Noatak, these are four of the most expensive communities to live in because the fuel is currently flown in. We are working on a feasibility study. Shungnak is a category three minimum for wind. Ambler is a perfect location for bulk fuel. If there were interties between all three communities, all of the village could utilize these efficiencies and costs would be reduced. Fuel in our region is almost \$11 per gallon, because it has to be flown in.

Co-Chair Neimeyer thanked everyone for their participation in the teleconference on behalf of the commissioners. Written comments will be received through March 16, 2016. The oral and written comments will be compiled and provided to the commissioners for their consideration on March 31, 2016, at which time they will

consider the FY16 agency investments. This information will also be posted online at www.denali.gov.

The hearing adjourned at 4:00 p.m.

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